Testimony Supporting
HB 5673: An Act Concerning the Reformation of Certain Taxes and Tax Equity
SB 771, An Act Establishing a Refundable Child Tax Credit
SB 772: An Act Increasing the Applicable Percentage of the Earned Income Tax Credit.
February 27, 2023

Dear Senator Fonfara, Representative Horn, Senator Martin, Representative Cheeseman, and members of the Finance, Revenue and Bonding Committee:

My name is Mike Fournier. I am resident of West Hartford and the VITA/EITC Program Director for SimplifyCT. We are a CT Volunteer Income Tax Assistance program whose mission is to provide all low-income CT residents best-in-class tax preparation and advocacy at no cost to them. SimplifyCT is also a member of the CT Child Tax Rebate Coalition.

I am here today to express my support for enacting a permanent CT Child Tax Credit and enhancing the CT Earned Income Tax Credit as proposed in Sections 3 & 4 of HB 5673, SB 771 and SB 772.

During each of the past two tax seasons, the CT VITA Coalition has provided free tax preparation services to over 30,000 CT residents with household incomes under $60,000. Last year, we saw the benefits that the enhanced Federal and CT tax credits had on the refunds and credits received by these residents. The clients left our tax sites grateful for larger refunds and hopeful of making ends meet in 2022.

Why CTC?
- The CTC targets support to Connecticut families, including those with little or no income, who are most acutely facing food and housing insecurity.
- A CT CTC would put more money in the pockets of families across our state and make it just a little easier to afford childcare, groceries, rent/mortgage, and other daily expenses.

A CT CTC Will Help Alleviate Child Poverty and Support Low-Income Families Across Our State
- As of this January, 68% of families with children were struggling to pay their usual household expenses.
- A refundable state-level CTC would support over 600,000 children, including up to about 95,000 children living in poverty.

While last year our VITA clients were all grateful for the additional financial support they received through the Federal and CT tax credit enhancements, this year those same clients are telling us we must be doing something wrong. How can their refunds be so much smaller than last year? Last week, I had a 38-year-old woman from Southington in tears, telling me she was counting on the same refund as last year. With a 50% reduction in her refund, she did not know how she would make ends meet for herself and her child.

You can answer her and the many CT working families like hers, by making our state tax code family friendly.

For these reasons and more, I urge the committee to pass HB 5673: An Act Concerning the Reformation of Certain Taxes and Tax Equity and recommend incorporating the changes that are detailed within the testimony of our partners at Connecticut Voices for Children. We also support establishing a CT CTC and increasing the CT EITC to 41.5% of the federal credit.

Thank you for your consideration,

Mike Fournier
VITA/EITC Program Director
SimplifyCT

Additional comments not provided in verbal testimony:

- Statewide outreach to support free tax preparation is needed. At VITA sites when we ask clients where they had their taxes down last year and they answer they went to a paid preparer, we ask why? They indicate they did not know VITA existed. We have an opportunity for a statewide marketing plan to close this information gap.
- Rebate vs Credit? Rebate puts the burden back on our citizens to apply for the rebate. A credit will use presumptive eligibility based on files DRS receives from the IRS which will contain the appropriate eligibility data.
- Do you support a medley of income tax cuts and increased credits? Yes, as this puts the financial decision-making in the hands of the people who are best positioned to choose what is best for their family. The head of a low-income family needs to make difficult decisions every day. They will know the best way to maximize the increased tax refunds for their situation.